



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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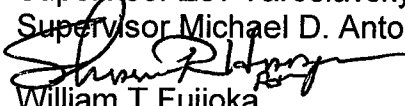
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Third District

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Fourth District

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Fifth District

May 6, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich  
  
From: William T Fujioka  
Chief Executive Officer

## PRELIMINARY REPORT – ADELANTE EASTSIDE REDEVELOPMENT PROJECT AMENDMENT - CITY OF LOS ANGELES (FIRST DISTRICT)

Consistent with Board policy and direction, we are advising your Board that the City of Los Angeles sent us the Preliminary Report for the proposed amendment to the Adelante Eastside Redevelopment Project. The Preliminary Report includes the following information:

- Map of the Project Area (Attachment I)
- Physical and Economic Conditions of Blight (Attachment II)
- List of Planned Projects (Attachment III)

The amendment proposes to merge the Adelante Eastside Redevelopment Project and the County of Los Angeles' Whiteside Redevelopment Project. The main purpose of the merger is to maximize redevelopment potential for mixed use, housing, retail, and new job growth in the community. The merger may help facilitate the creation of a biotechnology research park, which would produce significant new construction, economic activity, and jobs.

*"To Enrich Lives Through Effective And Caring Service"*

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Each Supervisor  
May 6, 2009  
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Our Office conducted a preliminary analysis of the project, which included a review of the Preliminary Report and a site visit to the project area. Based on the analysis, this Office believes that the Preliminary Report is generally consistent with the blight requirements contained in Redevelopment Law. The Agency has scheduled the Joint Public Hearing to adopt the proposed amendment for July 27, 2009.

If you have any questions regarding conformity with Redevelopment Law, please contact Robert Moran at (213) 974-1130, or via e-mail at [rmoran@ceo.lacounty.gov](mailto:rmoran@ceo.lacounty.gov). If you have specific questions regarding proposed development projects, please contact Matt Lust of the Community Development Commission at (323) 890-7203, or via e-mail at [Matthew.Lust@lacdc.org](mailto:Matthew.Lust@lacdc.org).

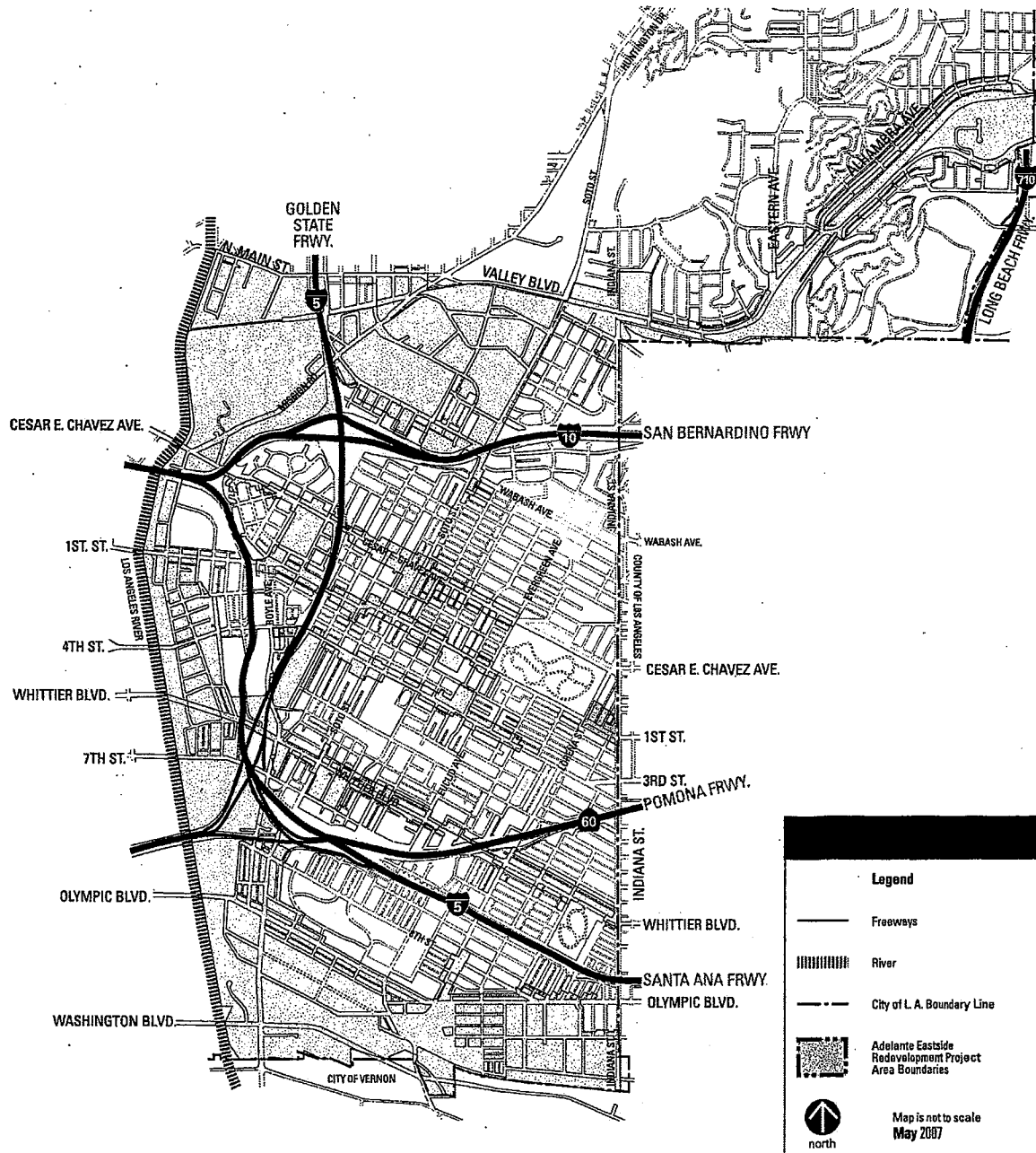
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#### Attachments

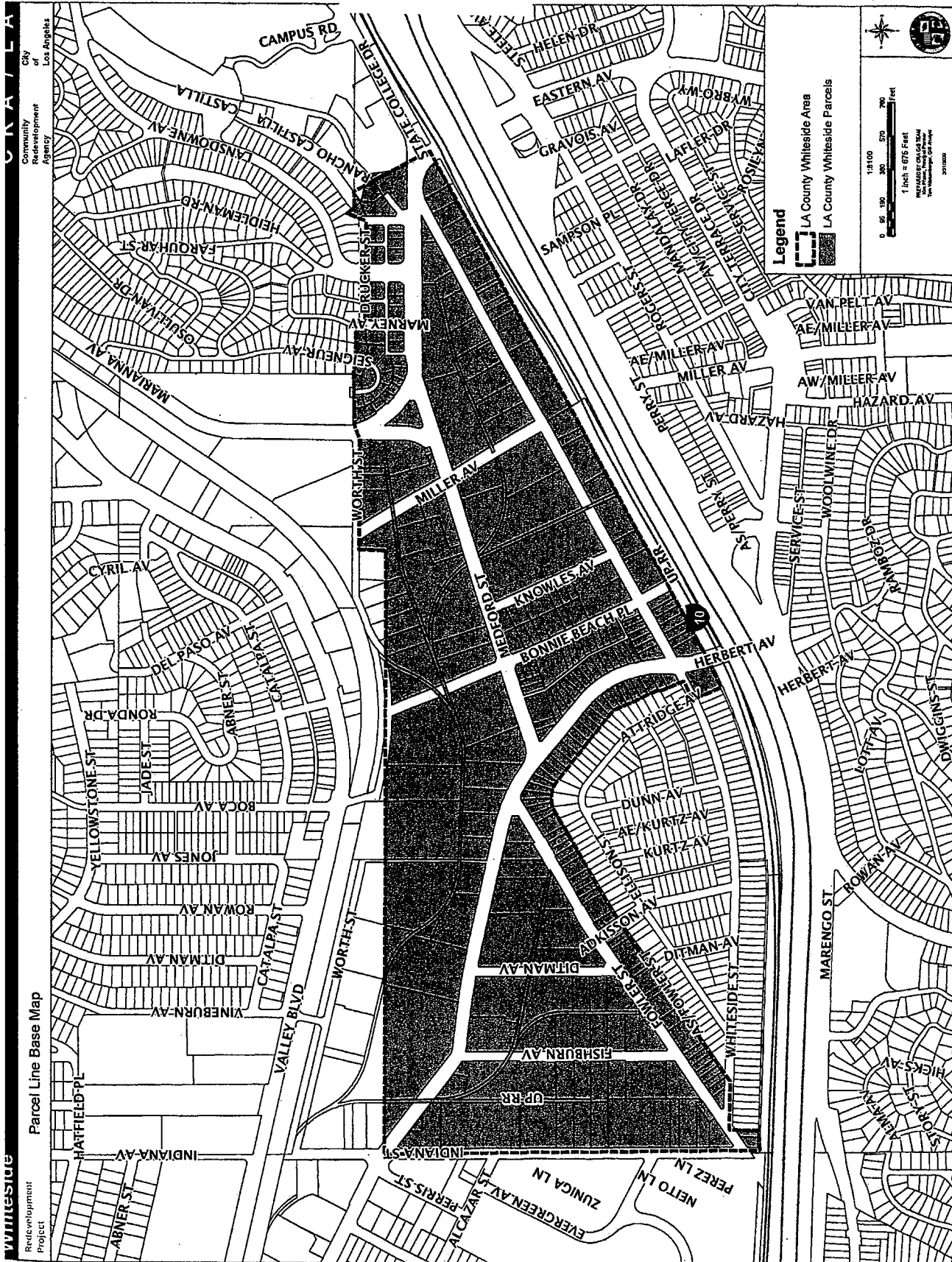
c: Executive Officer, Board of Supervisors  
Acting County Counsel  
Auditor-Controller

# Adelante Eastside Redevelopment Project

Community Redevelopment Agency  
City of Los Angeles



# EXHIBIT B



**PROJECT AREA DESCRIPTION  
PHYSICAL AND ECONOMIC CONDITIONS OF BLIGHT  
(From Agency's Preliminary Report)**

**Adelante Eastside Redevelopment Project Area**

**Physical Blight Conditions:**

- Deteriorating structures – those with overall ratings of moderate rehabilitation, extensive rehabilitation or dilapidated condition – represent 1,534 structures or 58% of the total number of buildings. Only 444 (17%) of the structures in the Project Area are considered by exterior survey to be in sound condition.
- Defective design of buildings can cause unhealthy or unsafe conditions for persons to live or work. The field survey revealed that a total of 109 buildings (4% of all structures) are of defective or obsolete design.
- The field survey identifies 829 instances where uses were incompatible with adjacent uses within the Project Area. These incompatibilities include 21 adult-oriented uses, 456 auto-related uses, and 352 industrial uses adjacent to sensitive uses, such as schools and day care facilities, housing, churches, and social service organizations.
- The field survey reveals that 986 of the total 2,862 parcels in the Project Area (34%) are identified as having weeds, debris, and/or abandoned vehicles present.
- Of the 2,862 parcels in the Project Area, 1,078 parcels (37.6%) do not conform to City commercial zoning lot width standards nor to residential zoning lot area standards. There are 759 parcels (26.5%) in the Project Area that are of an irregular form or shape, limiting their development potential.

**Economic Blight Conditions:**

- Young persons (under 18 years of age) account for 35% of the Eastside population, as compared to 25% Citywide, and household size averages 4.1 persons per household as compared to the Citywide average of 2.8 persons.
- Family structure households account for 82% of all households which tend to be large (50% have five or more members) compared to 25% Citywide, and the median family income is \$20,965, only 55% of the City's median.
- On average 98% of the properties in the Project Area experienced changes in assessed valuation between 1993-94 and 1996-97 of less than 2%, which indicates depreciated or stagnant property values.

- Within the Project Area, a total of 330 potentially contaminated sites were found through the Vista Environmental Information database. Among those, with respect to the properties' potential to contaminate the environment, 26% were rated "low," almost 58% were rated as "moderate," and 17% were rated as "high."
- Of the 188 non-residential, non-public buildings, which have some level of vacancy at the time of the field survey, 176 (93.6%) were at least 20% vacant. Within the Project Area, 104 out of 1,043 industrial buildings (10%) have vacancies in excess of 20%.
- Crime has a negative impact on the Project Area and is a serious threat to public safety and welfare. According to the LAPD, there are approximately 40 gangs within the Eastside. There is a high degree of concern for personal and neighborhood safety related to issues of gang and crime activity.

### **Whiteside Redevelopment Project**

#### **Physical Blight Conditions:**

- Approximately 29% of all structures in the Project Area were rated as either deteriorated or dilapidated.
- The Project Area has a 19% lower average sales price per square foot of industrial building space than the Industrial Submarket and the average lease rate in the Project Area is 29% lower than the Industrial Submarket.
- Single-family homes within the Project Area have a 10% lower median sales price when compared to homes within the six surrounding zip codes of the Project Area. Approximately 79% of the commercial uses have decreased in assessed value or remained stagnant since 1997-98.
- Based on the field survey, 98 of the 292 buildings (34%) within the Project Area had one or more instances of defective design or physical construction. Commercial uses had the highest percent of buildings (39% or 12 of 31 buildings) exhibiting defective design characteristics.
- There were a total of 390 incidences of site deficiencies which impact 294 parcels within the Project Area or an average of 1.33 incidences per parcel. Open storage was the most predominant site deficiency occurring on 89 parcels (30%). Weeds/overgrown vegetation occurred on 58 parcels (20% of the total parcels).

#### **Economic Blight Conditions:**

- The total assessed valuation growth for the Project Area between 1997-98 and 2004-05 was 31%. By way of comparison, the County as a whole had total assessed valuation growth over the same time period of 53%, indicating depreciated or stagnant property values.

- The average industrial sales transaction per square foot of building space in the Industrial Submarket is \$48.96 compared to \$39.48 for the Project Area (19% lower). The Project Area also had an average residential sales price 25% lower than the surrounding area.
- The overall average weighted asking lease rate per square foot of industrial space in the Project Area is \$5.38 per year or \$0.45 per month. In comparison, the overall average weighted lease rate of industrial building space within the Industrial Submarket area is \$7.59 per year or \$0.63 per month. Therefore, the Project Area is 29% lower than the Industrial Submarket.
- Almost 49% of the occupied housing units are considered overcrowded in comparison to only 26% for the City and 23% for the County. Furthermore, 31% of the occupied housing units in 2000 are severely overcrowded compared to 18% and 15% for the City and County, respectively.

**LIST OF ESTIMATED PROGRAM COSTS**Adelante Eastside Redevelopment Project

<b>Item or Program</b>	<b>Amount</b>
Industrial Development Program	\$10,579,388
Commercial Development Program	\$9,460,223
Public Improvements Program	\$6,712,291
Development Impediments Alleviation Program	\$4,033,291
Economic Development Program	\$291,262
Housing Engenderment Program	\$23,327,602
Other Engenderment Programs	\$291,262
Housing	\$69,743,000
Administration	\$12,444,000
<b>Total Project Costs</b>	<b>\$136,882,320</b>



Whiteside Redevelopment Project

<b>Item or Program</b>	<b>Amount</b>
Land Assembly & Relocation	\$5,592,000
Public/Private Development	\$6,991,000
Targeted Business Recruitment	\$1,398,000
Brownfields	\$1,398,000
Infrastructure Improvements	\$5,592,000
Streetscape & Gateway Improvements	\$1,398,000
Traffic Circulation, Transit & Parking	\$2,797,000
Community Centers & Parks	\$1,398,000
Community Business Revitalization	\$1,398,000
Bond Debt Service (assumed)	\$8,861,000
Administration	\$4,052,000
<b>Total Project Costs</b>	<b>\$40,875,000</b>